

EDINA PARK BOARD  
TUESDAY, OCTOBER 10, 2006  
7:00 P.M.  
EDINA COMMUNITY ROOM

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MEMBERS PRESENT: Mike Damman, Ray O'Connell, Mike Weiss, Linda Presthus,  
Gordon Roland, Andy Finsness, Todd Fronek, Jeff Sorem, George  
Klus, Jeff Johnson

MEMBERS ABSENT: Karla Sitek

STAFF PRESENT: Ed MacHolda, Janet Canton, Tom Shirley, Ann Kattreh, Larry  
Thayer, Todd Anderson, John Valliere

OTHERS PRESENT: Idelle Sue Longman, Ethan Rogers, Grant Rogers, Bruce Johnson

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**I. APPROVAL OF THE SEPTEMBER 11, 2006 PARK BOARD MINUTES**

George Klus MOVED TO APPROVE THE SEPTEMBER 11, 2006 PARK BOARD MINUTES. Ray O'Connell SECONDED THE MOTION. MINUTES APPROVED.

**II. 2007 FEES AND CHARGES**

Mr. Klus commented that if they charge a \$9.00 Gymnasium User Fee per participant the city should still anticipate paying approximately a subsidy of \$10,000 to \$15,000 to cover all operating expenses. He asked Mr. MacHolda what it would take in terms of increasing fees to make up that \$10,000 to \$15,000 a year so that the city would not have to subsidize that. Would they be looking at adding another \$1.00 to \$2.00 to the per participant user fee? Mr. MacHolda replied that he doesn't know the answer to that as well as he's not sure that would be fair to the basketball or volleyball player. He stated that he believes the gymnasiums have received a donation which will help to offset the cost for the next five years. Mr. Klus commented that it is still a loss after the donation. He stated that he doesn't see why they can't raise the user fee of \$9.00 to \$9.50 or \$10.00 to recover the loss and then the city could say they were able to break even with the donation. Mr. Klus commented that he doesn't think the city should make money on this but they should be able to come up with that \$10,000 to \$15,000 to at least break even.

Mr. MacHolda explained that for many years the court sports didn't pay a user fee, they only paid an hourly fee for the facility to which last year the hourly fee was raised from \$6.00 an hour to \$9.00 an hour. He noted that the city and school district would like to keep the gymnasium fees the same for all of the gyms so people aren't trying to get into one versus the others. Mr. MacHolda pointed out that he thinks they would have to

significantly raise the hourly rate in order to cover the \$10,000 to \$15,000 based on the number of hours that are used. Mr. Klus indicated that he would like to know what that number is because he wouldn't be in favor of just subsidizing \$10,000 to \$15,000 when they don't even know what the amount is. Mr. MacHolda replied that he can certainly go back and find out how many hours were used by the various groups and bring that information back to the next Park Board meeting.

Mr. MacHolda informed the Park Board that a number of years ago when they first started talking about adding gymnasiums they looked at a lot of different scenarios. He noted that from what he recalls it was a pretty hefty number in comparison to now. Mr. Klus replied that he does remember that and agrees, however, if they are that close to breaking even he thinks they should at least look into it.

Mr. Fronek asked if the \$9.00 user fee is for everyone who participates in the Edina Basketball Association or Edina Volleyball Association. Mr. MacHolda explained that all field sport users pay a \$9.00 per participant fee for each season. For example, if someone played both summer soccer and fall soccer they would need to pay two \$9.00 fees. He noted that even the Edina Hockey Association has to pay a \$9.00 per participant user fee. Mr. MacHolda pointed out that in the past the only sports that have not had to pay a user fee were the court sports; however, they did pay an hourly rate to use the gymnasiums. He stated that now the court sports are going to be paying \$9.00 an hour for the gymnasium as well \$9.00 per participant user fee in order to help offset the two new gymnasiums. Mr. Finsness clarified that the \$9.00 per participant fee is an equitable number across the board whether it's ice, field, turf or court to which Mr. MacHolda replied that is correct.

Mr. MacHolda pointed out that the city was fully aware before any work was done on the gymnasiums that there was going to be a shortfall, however, this was the most logical and equitable way of funding the gymnasiums. Mr. Klus commented that they probably didn't think they were going to be this close to breaking even. They probably thought it was going to be more like \$40,000 to \$50,000.

Mr. O'Connell indicated that Mr. Keprios made a point in his staff report stating "staff proposes a modest increase for fees and charges mainly to keep pace with inflation and yet maintain program and rental fees at an affordable but competitive level". He stated that they should see what the competition is doing so they know where they're at. Mr. Weiss commented that if they were to do that he doesn't think it would provide any meaningful data. He stated that Edina doesn't have the same facilities as St. Louis Park and Hopkins, etc. He indicated that he thinks their focus is to cover their costs. Mr. Weiss pointed out that if they were to add up all of the participants in the programs they would be looking at almost doubling the per participant fee in order to make up for the shortfall. Mr. Klus indicated that he's not looking at the participant fee, he is looking at what they are charging the association, and he's looking more at what it would cost to rent the gymnasiums outside of those participant fees. He asked if they are going to get outside people to use the gymnasiums and run it on a per hourly basis would they be able to make up that money there. Mr. MacHolda responded that they want to keep the

hourly rate consistent with the school district and all of the other gymnasiums. Again, they don't want competition between the gymnasiums; they want them all to be priced equal.

Mr. Damman indicated that the Braemar Room at the golf course went up \$100.00 and asked if that is something that is just done. Mr. Valliere replied that when they started to rent out that room 20 years ago it cost \$750.00 so they have moved along at a fairly slow pace. He noted that they have also checked out surrounding places for wedding rentals, which is what the room is primarily used for, to which they are in the neighborhood of their competition, some are higher and some are lower.

Mr. Klus asked in looking at the greens fees on both the 18-hole and 9-hole courses he would like to know what they are looking at for revenue increases down the road. Mr. Valliere explained that he typically picks and chooses different fees to rise so that they are able to come up slowly. For example, their labor budget is approximately one million dollars for all of the facilities and if they take a 3% increase on that it would be a \$30,000 increase. Mr. Valliere explained, for example, that last year they raised the 18-hole patron and non-patron card but they haven't touched the 9-hole patron & non-patron card in five years. Therefore, if you do 65,000 to 68,000 rounds of a golf a year and half of those are 18-hole rounds you start to see that you are going to capture \$30,000. However, that \$30,000 just offsets the labor increase. Therefore, they are left with where do the additional monies come from to pay the other additional costs such as the benefit packages of health care, etc. as well as the increase cost for equipment and things of that nature. He added that it becomes pretty tight. Mr. Valliere pointed out that they would get even more behind if they didn't take the step to raise the 9-hole fee. In addition when you look at comparative golf courses, Braemar is still pretty much in the middle.

Mr. Klus stated that he can't see the whole picture, he knows the golf course hasn't lost any money and that they are maintaining their own and they are able to do capital improvements. Therefore, if the rounds of golf are maintaining or going down then you have to market it to get those numbers back up. Mr. Valliere clarified that they are not as well off as they would appear. He explained that the way the debt structure is set up is they haven't done any major improvements to the golf course since they built the new maintenance building at the Fred Richards course. He added that it was five years late in coming and cost approximately \$270,000. Mr. Valliere pointed out that the reality is they have things that they need to do, however, they can't because they don't have the money. He commented that they are not flush with extra money to do capital improvements. Mr. Valliere pointed out again that their prices are just about in the middle of comparable golf courses. They still have \$675,000 worth of bonds that they have to pay and when that goes away in 2010 that's when they will be healthy enough to undertake some of those things.

Mr. Valliere informed the Park Board that they are very concerned about the driving range. He noted that the equipment that is used in the game of golf today can drive the ball up a lot farther than it did when it was first built in 1965. He indicated that it's possible for people to hit a golf ball a lot further than 250 yards and subsequently they are

teaching classes on the far north end which is a high concern of theirs. Therefore, they need to do something with the driving range to make it longer and even though they don't have the funds available at this time it could become an issue that they'll need to address before 2010.

Mr. Klus commented to Mr. Valliere that a while back he had mentioned that they were starting to lose some of their senior golfers because of the fees. He asked what has happened with that whole issue in the last couple of years. Mr. Valliere replied that the seniors continue to look for a good bargain; however, he thinks they are holding their own. Mr. O'Connell stated that Mr. Valliere hit the nail on the head in that they are holding their own because there is a lot of competition for seniors as you all know. He added that things are really tight and it's because of the declining market. Golf hit its peak in 2001-2002 and since then the cycle has dropped. Mr. O'Connell indicated that they have to be very careful in how they set rates. He noted that they do need to take into consideration that Mr. Valliere does receive a few complaints every year with the one dollar increases because people who classify themselves as seniors always look at that. He noted that's the consciousness you are talking about with a lot of these seniors when it comes to spending money. Mr. Valliere pointed out that percentage wise it's really not very much. Mr. O'Connell noted that the management at Braemar has done a wonderful job in trying to stay with the competition. Mr. Sorem stated that he thinks that to play at Braemar for \$35.00 is a real bargain.

Mr. Sorem asked Mr. MacHolda how the attendance was at the aquatic center this past summer to which Mr. MacHolda replied that it was good but it wasn't their best. He noted that they had approximately 120,000 visitors and last years attendance was approximately 140,000. He added that one of the reasons he thinks it may have been down is because of the hot period they had in July, but overall they had a good summer.

Mr. Fronek commented that there was a complaint from a resident this past summer about there being too many non-residents at the pool and asked Mr. MacHolda if that affected his decision when looking at the fees and charges. Mr. MacHolda replied that they are right where the market is for non-residents which is typically \$10.00 more for the non-resident. He commented that St. Louis Park actually gives their resident rates to people from Hopkins, Minnetonka and Golden Valley. He pointed out that Edina's season ticket base consists of approximately 46% of non-residents. Therefore, if non-residents are driven out of the city, the Aquatic Center could potentially become a subsidized facility whereby now they are able to pay their expenses as well as help fund some of the capital things that are done at the pool.

Ms. Presthus asked why the adult softball and adult basketball registration fees are always going up in price. Mr. MacHolda replied that basically is because the fees for the officials go up every year. He noted that with the adult basketball there is also the hourly rate fee that is going from \$6.00 to \$9.00 an hour. In addition, the per participant fee is going from \$8.00 per participant to \$9.00 per participant. Mr. MacHolda pointed out that the 4-Man Adult Hockey league fee has not increased because they are a self-officiated league.

Mr. Klus noted that a season ticket for Braemar Arena is increasing by \$5.00 and asked Mr. Thayer his thought behind that. Mr. Thayer replied that typically he tries to go with the City Council's wishes to increase things by 2% to 3%. He pointed out that typically they sell less than 50 season tickets a year; it's not a real big item. Mr. Thayer commented that he just tries to bump it up every couple of years.

Mr. Thayer pointed out that the hourly rate has increased \$5.00 which will generate approximately \$140,000 next year. He noted that they've always been within \$5.00 either high or low of their immediate competition. Mr. Klus asked about the new arenas going in at the old Midwest Tennis facility and whether or not he thinks that is going to hurt Braemar arena to which Mr. Thayer replied that he thinks it will probably hurt them during the summer which is their off season.

Mr. Klus indicated that in the past there have been a lot of discussions about keeping the "Play Park" at Edinborough Park affordable and it seems to him that they are holding their own and doing okay. Therefore, he would like to know what the rationale is behind raising the rates again this year. Ms. Kattreh replied that the rates haven't been raised since they opened in 2003. She pointed out that they just put approximately \$40,000 worth of improvements into the structure. In addition, during the past couple of years they have put an average of approximately \$10,000 to \$15,000 into the structure. Ms. Kattreh stated that they are also budgeted to put another \$50,000 into the structure in the next two years. She explained that it is an expensive structure to maintain both from a safety aspect and cleaning aspect. She commented that it takes four hours a day to clean, disinfect and inspect the structure, therefore, it's really just an attempt to cover costs. Mr. Klus asked but at the same time hasn't the "Play Park" been making money on this even though they don't necessarily see it. He commented that it's his understanding that the bottom line is that the money made from the "Play Park" doesn't necessarily go back into it, but is actually used at other places within the city. He asked has there been any discussion on why that money can't go back into the Play Park rather than just raising the rates because he would like to see this be as useful as they can for all income levels. Ms. Kattreh responded that she would agree, they want to keep it as affordable as they can and added that they are right in the middle of all of their competition throughout the entire metro area and may even be a little on the low side. Ms. Kattreh pointed out that she feels the fees are very, very reasonable and other than the one complaint they received from a St. Louis Park family in the beginning, she hasn't received any complaints. She noted that actually she's heard quite the opposite in that most people think it's a great value.

Mr. Klus commented that it seems that money that is made by the facilities is not necessary put back into the facilities; it's going other places within the city for whatever reasons. He noted that he doesn't understand the city finances but he would hate to see that happen if there's a need for it rather than not seeing the fee go up.

Mr. Shirley pointed out that currently they are actually losing money and not making it to which Mr. Klus asked how much are they losing. Mr. Shirley replied this past year they

lost \$163,000 and also they took a big hit on their interest income. It was supposed to be \$200,000 and it ended up being \$114,000. Ms. Kattreh commented that they are definitely generating revenues for the Play Park but still with Edinborough and Centennial Lakes as a whole they are losing. Mr. Klus asked if most of those losses are coming from Centennial Lakes to which Mr. Shirley replied that it's actually close to 50/50 with the two facilities.

Mr. MacHolda noted that it's his understanding that the money that is made at the revenue facilities stays with those facilities. That money does not get transferred. Mr. Klus replied that his understanding is that was not the case and that is why he brings it up.

Mr. Fronek asked where does the capital improvement money come from. Mr. MacHolda explained that the Park Department's capital improvement plan money is different from the revenue facilities. The capital improvement money for the revenue facilities actually comes from the facilities themselves and therefore that is why Mr. Valliere is in a position where he hasn't been able to make the capital improvements he would like to because of the high debt service.

Linda Presthus MOVED TO ACCEPT THE FEES AND CHARGES AS PRESENTED. Mike Damman SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY.

### **III. 2007-2011 PARKS AND RECREATION DEPARTMENT & ENTERPRISE FACILITIES CAPITAL IMPROVEMENT PLANS**

Mr. Finsness informed the Park Board that they are going to wait until the Needs Assessment Survey is done before they act on the capital improvement plan. He noted that this way they will have a better idea of whether or not they are heading down the right path based on those results.

Mr. MacHolda went over the revised capital improvement plan with the Park Board.

### **IV. NON-RESIDENT PATRON CARDS FOR EXECUTIVE COURSES**

Mr. Valliere pointed out that the Braemar Executive Golf Course and the Fred Richards Golf Course are not as long as a regular nine hole golf course. They are approximately 1,600 to 1,800 yards long. Therefore, when you think in terms of rounds these two courses are capable of doing in excess of 30,000 to 32,000 rounds per year. However, currently they are in the 21,000 to 25,000 range. Mr. Valliere explained that he thinks if they could somehow create a bond with the people of Richfield, who have no golf course, they could create a situation where they could fill a lot of the open times that are available. Therefore, they would like to make the executive golf courses more attractive to the Richfield residents by giving them the option of buying a patron card to the Braemar Executive course and Fred Richards course to which they would get a reduction in their greens fees.

Mr. Valliere informed the Park Board that they have not increased the Braemar Executive Course resident patron card since the original price of \$25.00. He explained that they don't sell a lot of them. Mr. Valliere pointed out that there is only a \$3.00 difference between a patron card and a non-patron card and therefore after approximately 8 rounds that patron card would pay for itself. Mr. Valliere stressed that the idea of this is to try and open up an opportunity for the people in Richfield to bond at a golf course and play there. He added that if they could build up the difference by 5,000 rounds that would be wonderful.

Ms. Presthus stated that Mr. Valliere gave the example of Richfield residents and asked if these patron cards would be offered to other communities as well. Mr. Valliere replied it would be open to anyone. However, they think that it will be primarily Richfield residents as well as the people who work in the office buildings that surround the Fred Richards course who will start to have a loyalty to the course. Mr. Finsness asked if this patron card could be available for both courses to which Mr. Valliere replied yes, however, he doesn't see it having much of an impact at the Braemar executive course. Mr. Valliere explained that the Braemar executive course is heavily scheduled with programs and therefore he doesn't see it as a situation where it would displace their current customers.

Ms. Presthus asked if Braemar is already a very busy course and if this may cause too many rounds at Braemar and still not help the Fred Richards course. Mr. Valliere replied that he doesn't think that will happen, he thinks that it will encourage play during the week. He noted that times are already set aside for leagues and weekend traffic. He stated that he is really trying to fill the afternoons at the Fred Richards Golf Course. Ms. Presthus asked Mr. Valliere wouldn't you think these people would want to use the same times as everyone else does on the weekends when the courses are already crowded. Mr. Anderson noted that they are going to get the non-residents who are working right by the course who are going to go out and play during the day. Mr. Valliere commented that right now they have an opportunity to try and be competitive and attract people and fill those times.

Ms. Presthus asked if they have any marketing techniques planned for this to which Mr. Valliere replied that they have already discussed using the Richfield Sun and those surrounding communities to encourage people to buy a patron card. Ms. Presthus suggested that they also use the Chamber of Commerce because that is for the businesses.

Mr. Valliere commented that if you look at the number of patron cards sold there may come a day when they may have to offer a non-resident patron card for the main golf course. He explained that they used to sell in the neighborhood of 2,700 patron cards and now they are selling between 1,700 and 1,800 which is a considerable drop off. Mr. Valliere indicated that they have created some new golf leagues this year that have generated approximately \$25,000 in revenues for both the 9 hole course and the 18 hole course to which non-residents are allowed to play in. Mr. Valliere pointed out, however, there is an image out there that Braemar is full which carries over into the Fred Richards

course when in reality a person can get onto the Fred Richards course almost any time of day.

Mr. O'Connell made an observation that there used to be a wonderful junior program at the old Richfield golf course and noted that if the word got out that the junior rate at the Fred Richards golf course for Richfield residents is \$8.00 there is going to be a rapid increase of golfers from Richfield. He stated that there is a large population in the immediate vicinity of the Fred Richards Golf Course that if people are aware of this they definitely get out for 1 ½ hours and play. Mr. O'Connell added that the Fred Richards Golf Course has improved in the last five to six years and he feels that it actually is a better golf course to play on compared to the executive course at Braemar.

George Klus MOVED TO APPROVE THE NON-RESIDENT PATRON CARD. Ray O'Connell SECOND THE MOTION. MOTION CARRIED UNANIMOUSLY.

## **V. UPDATES**

- A. Gymnasium Construction – Mr. MacHolda informed the Park Board that the new gymnasiums look gorgeous and will open on Monday, October 16<sup>th</sup>. Ms. Presthus asked if there is going to be a ribbon cutting ceremony to which Mr. MacHolda replied that something is currently being planned which will take place once everything is complete.
- B. Athletic Association Presidents Meeting – Mr. MacHolda informed the Park Board that there was an athletic association presidents meeting held on September 27<sup>th</sup> and noted that it was by far the best president meeting he has been to. There was representation from all of the groups with the exception of the Edina Girls Basketball Association. He indicated that they went over the Core Values in the Relationship Document to which he felt it was extremely well received and embraced by everyone. He noted that it was a very good meeting.
- C. Courtney Fields Construction Project – Mr. MacHolda informed the Park Board that they are moving right along with the Courtney Fields project. He noted that so far everything looks really good. The new space is very generous, there will be a meeting room for the Edina Baseball Association as well as they will have great storage capacity. He indicated that today the footings were put in for the concession stand.

## **VI. OTHER**

- A. Needs Assessment Survey – Ms. Presthus asked Mr. MacHolda when the Needs Assessment Survey will be complete to which Mr. MacHolda replied that Ron Vine will go over the results with staff and the Park Board on November 21<sup>st</sup>. Mr. O'Connell commented that he thought originally it was supposed to be complete sometime in October and asked why that was moved back. Mr. MacHolda responded that he doesn't know the answer to that. Mr. Finsness commented that perhaps they



meant that the work was going to be done in October and then the results need to be compiled. He noted that he also thought it was supposed to have been done in October.

- B. Advertisements – Mr. Johnson commented that some of the baseball parks in other communities, such as Minnetonka, have advertisements in the outfields and asked if Edina has ever looked at selling advertising for the outfields, scoreboards, etc. Mr. MacHolda replied that in 1997 they did start putting advertising on the scoreboards. He noted that in the past the city officials have made it clear that they like the look of fencing without the advertisements.

## **VII. ADJOURNMENT**

George Klus MOVED TO ADJOURN THE MEETING AT 8:23 PM. Mike Weiss SECONDED THE MOTION. MEETING ADJOURNED.